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November 2, 2001

**Robert T. Blau, Ph.D., CFA**  
Vice President-Executive and  
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202 463-4108  
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WRITTEN EX PARTE (Filed Electronically)

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: CC Docket No. 96-98

Dear Ms. Salas:

The attached letter was sent to Dorothy Attwood on October 18, 2001 regarding performance measures. Pursuant to a request by Cathy Carpino on November 1, 2001, we are now filing it in CC Docket 96-98.

In accordance with Section 1.1206, I am filing two copies of this notice and the attachment and request that you place them in the record of the proceeding identified above.

Sincerely,



Attachment

cc: Dorothy Attwood  
Marsha MacBride  
Kyle Dixon  
Matthew Brill  
Jordan Goldstein  
Samuel Feder  
Jeffrey Carlisle  
Cathy Carpino

**STAMP and RETURN**

**BELLSOUTH**

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October 18, 2001

**RECEIVED - FCC**

**OCT 22 2001**

**Federal Communication Commission  
Bureau/Office**

**Robert T. Blau, Ph.D., CFA**  
Vice President-Executive and  
Federal Regulatory Affairs

202 463-4108  
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Ms. Dorothy Attwood  
Chief, Common Carrier Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Ms. Attwood,

It is my understanding that the Commission may commence a rulemaking proceeding for the purpose of adopting national performance measures that would apply to wholesale offerings, *i.e.*, unbundled network elements and resold services. BellSouth appreciates the opportunity to provide the following information to the Commission as it considers this topic.

As an initial matter, the Commission must be mindful that it is not writing on a blank slate. Many state commissions, including four commissions in BellSouth's operating territory, already have approved performance metrics in place. In establishing these metrics, the state commissions have expended considerable time and resources. Incumbent local exchange carriers and competitive local exchange carriers have likewise put considerable effort and resources into developing and implementing the metrics. The Commission, therefore, should recognize the substantial effort, expense and work that has preceded the Commission's consideration of national performance metrics.

Given these circumstances, BellSouth believes the Commission should use this proceeding to identify a streamlined, simplified list of performance metrics that adequately address or reflect the proven needs of the competitive local exchange carriers. If the Commission approaches this subject with the same commitment to regulatory efficiency as it has shown before, then the establishment of national performance standards need not become another opportunity for regulatory gaming.

To that end, the Commission should not attempt to create a set of performance measures that would supplant or duplicate state measures. Where a state commission has undertaken the analysis necessary to establish performance measures for wholesale offerings, those measures should continue to apply. In these instances, the Commission could provide guidance and assistance to the states regarding ways to make existing measures more efficient and less burdensome. The Commission, however, needs to avoid the trap of creating a set of standards

that would expose an incumbent local exchange carrier to duplicative performance standards or penalties. In the spirit of comity, if a state commission has established a performance metric and a corresponding penalty in the event the metric is missed, the state standard and penalty should control. It would be inappropriate and inequitable to create multiple performance penalties based on either identical standards or even somewhat differing standards.

Near term, BellSouth believes that the Commission also could establish default performance standards that would apply where state commissions have not adopted state specific measures. The default performance measures should be:

- Firm Order Confirmation (FOC) and Reject Notice Completeness
- FOC Timeliness
- Flow Through
- Installation Interval (Total Service Order Cycle Time)
- Percent Installation Appointments Met
- Trouble Report Rate
- Mean Time To Repair
- Trunk Blocking

BellSouth believes these performance measures should apply to the following offerings:

- Resale Residence and Business
- UNE Analog Loops
- UNE Digital Loops (including xDSL)
- UNE Loop + Port Combinations (UNE P)
- Enhanced Extended Loops (EELs)

These default measures should become the foundation of a long term, unified approach to performance metrics. There are, nonetheless, issues in addition to identifying performance metrics that must be considered as part of any long-term approach. For example, the Commission would have to establish a single set of definitions that would apply to all carriers. In addition, the Commission would need to prescribe a set of statistical methodologies to be applied in conjunction with national standards. Because of the large variety of circumstances that exist, national standards would have to be accompanied by an exception reporting process. This process would enable results to be explained or restated for circumstances beyond a carrier's control. Finally, any standards or reporting requirements adopted by the Commission on a national basis should be applied on a non-discriminatory basis and, thus, apply to both incumbent local exchange carriers and competitive local exchange carriers.

It is also BellSouth's understanding that the Commission may be considering initiating a proceeding that would establish performance measures for special access services. Special access services should not be treated in the same way as local wholesale offerings. The market for special access is highly competitive. It would be a mistake for the Commission to interfere



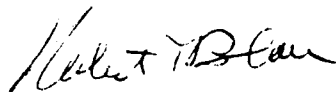
Ms. Attwood  
October 18, 2001  
Page 3

with the operation of the marketplace and substitute its judgment for the judgment of the market as to appropriate performance characteristics of special access services. The special access market is a diverse market with a diverse customer base that has varied needs. If the Commission were to attempt to craft a "one-size-fits-all" set of special access performance standards, then the Commission would be favoring one customer segment over another.

The better course of action is to allow the marketplace to work. Indeed, BellSouth has installation (Service Installation Guarantee) and service continuity guarantees (Service Assurance Warranty) as elements of some of its special access services. These elements were designed to respond to the market-based needs expressed by BellSouth's customers. The Commission also has provided carriers, such as BellSouth, pricing flexibility for special access services. Such pricing flexibility will enable BellSouth to craft new offerings that include a variety of performance alternatives that meet customer needs. Most importantly, the competitive nature of the special access market will assure that BellSouth's special access services continue to meet the performance requirements demanded by the market.

Again, BellSouth appreciates the opportunity to provide input on this matter. If we can be of any further assistance please do not hesitate to call.

Sincerely,



Robert T. Blau

cc: Marsha MacBride  
Kyle Dixon  
Matthew Brill  
Jordan Goldstein  
Samuel Feder  
Jeffrey Carlisle  
Cathy Carpino